

### **Administrative Items**

- **Future Meetings:** Last scheduled meeting is now Sept. 10<sup>th</sup>. Chair would like to extend and maintain meeting days to the 2<sup>nd</sup> Monday of each month. We can confirm or discuss at the meeting.
- **Regional Meeting Locations** – Our work plan calls for up to five regional public engagement events. So, we need to please identify five locations around the state in FY08. Some locations that have been suggested are:
  - Newport,
  - Bennington,
  - Bellows Falls,
  - St. Albans,
  - Rutland
  - Others Suggestions?

We should be sensitive to distribution around state and include some smaller communities. The objectives for our regional meetings are is to invite employers, workers, non-profit and community leaders and the public-at-large to speak about statewide and local economic development issues impacting them today and their hopes for the future. We can select specific themes or topics to discuss as well. Invitations will be sent in advance from CFED to persons identified in those communities who can add value to our process and ample time will be made for the General Public to attend and participate. Format has yet to be finalized and open for our discussion, but I do have a couple of outlines to present at the appropriate time for your consideration.

- **Work Plan** – As a follow up to last meeting, our work plan is now posted to our CFED website – Per instruction, it is noted that it is subject to change. The link is: <http://www.dca.state.vt.us/commissions/cfed/documents/CFEDPublicWorkPlan.pdf>

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## **PUBLIC COMMENTS RECEIVED AND REQUESTED BY CFED**

Email from **Doug Hoffer at Public Assets Institute** at my request on recent Next Generation Workforce Report from the Agency of Commerce.

David

I read the Exec. Summary the other day and these are my impressions.

1. I understand the desire to do this but am not sure it was the best use of \$164,000 (with out of state consultants to boot).
2. As I think you will agree, the main findings are not really a surprise. People like VT but some can't find suitable work at good wages. We all know that.
3. Trying to lure some people back is unlikely to succeed unless wages grow. That's how the labor market works.

4. In my view, this general approach will not change any of the fundamentals and, therefore, it should not be a priority.

I have a different view of the situation. It seems to me that much of what we do is reactive. We are at the mercy of very large forces. And that's the point. We should acknowledge the things we can't change and focus on those we can. So we should devote some of our resources to reducing our dependence and maximizing the value of resources we control. That's not to say we shouldn't look for niches, but a dollar from import substitution has exactly the same economic & fiscal benefit as a dollar earned from exports. Our largest export is cash. That is not sustainable. Obviously, we can't - and should not - be an island. But plugging some of the leaks and retaining more money in VT is good policy. To do so will require a level of creativity and direct intervention that will make some people uncomfortable. But the data shows that what we're doing now isn't working. So we have an obligation to consider alternatives.

A great example is the proposed all fuels efficiency program. It would save Vermonters \$500 million on their fuel bills (\$200 million for VT businesses) that would be available for other things, create almost 200 jobs, and significantly reduce green house gas production. This is sound energy policy (spend less + more security), sound economic development policy (home grown jobs), and sound environmental policy. It's a trifecta! These types of programs represent substantial and long-term returns on investment.

And since so many people express concern about the cost of housing (see Beth Humstone's piece in the Fall newsletter of the Boston Fed - out long before this most recent report), increased public investments in affordable housing would have a much greater impact than marketing to recent college grads.

CEOs have told us for years what they look for: quality workforce, quality of life, and infrastructure. Therefore, we should invest in people, hard assets, and those things that improve the quality of life (and make it affordable). I think our current priorities are off the mark.

I could say more but that's enough for now. Thanks for asking.

Doug [Hoffer]

Email from **Janice St. Onge at the Vermont Sustainable Jobs Fund** at my request to assist with our economic indicator efforts. Below is the email and their input is a separately attached file.

Hello David, I hope all is well.

Thank you for the opportunity to submit the Vermont Sustainable Jobs Fund ideas on indicators that could help measure Vermont's progress toward economic health, vitality, and long-term prosperity. The attached document offers our thoughts on the value of measuring our progress from a sustainable development perspective. We recognize that the document is longer than a "one-pager." However, it illuminates how complex the whole world of "indicators" or measurement towards a goal can be. We've included a *story* or *case study* which illustrates how Vermont could benefit from looking at a long-term strategy incorporating a sustainable development approach. The indicators we've included are *samples* of what we could be considering in the broader context of the Vermont economic system.

In its most simplistic form, sustainable development takes a long term view, which is what we understand is the charge of the Commission. We hope that you and the Commission members find the attached document useful in thinking about what indicators are appropriate for Vermont when asking such questions as:

- What will the impact of our actions today have on the Vermont economy 5 – 10 years out, and farther?
- What will Vermont look like with an aging workforce and warmer temperatures due to climate change (what's the impact on tourism, agriculture, manufacturing)?
- How do we plan for this impact and help reverse the trend to benefit the Vermont business community, broader community and environment?
- What types of investment do we need to make now to really make a difference in the future?

It's been said that climate change is no longer just an environmental challenge, but rather is becoming a defining fact of economic development. Vermont has an opportunity to incorporate programs and infrastructure that help us hedge our bets and move us ahead on this front.

We look forward to the opportunity to speak to the Commission late summer on the topic of entrepreneurship. In the meantime, if we could be of further help, or you have any questions, do not hesitate to contact us.

Kindest regards,

**Janice St. Onge**  
Deputy Director  
Vermont Sustainable Jobs Fund

Please note that I also **made outreach to VBSR** for any feedback and comments on the Next Generation Workforce report, but as of yet have not heard back. Between the end-of-session, their annual conference and new leadership, it may just have its hand full at the moment.

I have received no other public input or comment via the CFED website or [cfed@state.vt.us](mailto:cfed@state.vt.us) email. If anyone had individually received something, please forward to me and I can include in future monthly packages.

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## MEETINGS AND NEWS

**Statehouse Support** – The Senate Appropriations Committee added one-time funding support for CFED in FY08 at our requested amount of \$150,000. A special thanks to Sen. Hinda Miller for her championing CFED. The Appropriations bills now go to Conference where anything can still happen, so stay tuned.

Carl and I have been reaching out to various Administration officials, Senators and Representatives to raise the awareness of CFED and enlist involvement and support for our work plan.

**Micro and Small Business Listening Forum** – Commissioners Botzow, Miller, Davis, Crifo, Niebling and I attended this event in Montpelier that offered entrepreneurs an opportunity to share their frustrations and hopes for business success, viability and assistance in Vermont. Michele Cranwell Schmidt from UVM's Center for Rural Studies presented data on the impact and contribution from small and micro business in Vermont. I can send anyone the presentation by separate email if you are interested. Commissioners may want to share their impressions at the meeting.

**Council on the Future of Vermont** – At Secretary Dorn's urging, I met with Paul Costello to learn more about this possible undertaking. This is a conceptual outline by the Vermont Council on Rural Development to conduct a current generation, statewide conversation about *where Vermonters see our state headed* and compare with *what Vermonters want to our state to be*. This leadership council will take input for a year,

research trends, and then articulate a comprehensive picture of *values, concerns and aspirations of Vermonters as they consider the future of our state*. If pursued, they anticipate seeking private contributions and foundation support to conduct this two-year, \$400,000 budget project. Pretty useful in my opinion and could be complementary to CFED efforts.

**Open Board Seat** – Thank you to those who have offered names directly and via me to the Governor’s Office for consideration to fill the open Board seat. I have no update on where the appointment rests at this stage. Most likely action will not be undertaken until after the legislative session concludes.

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## ECONOMIC INDICATORS

### *Developing an Economic Dashboard to Measure the state of Vermont*

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Thank you everyone for forwarding your suggestions and ideas on economic indicators. The list is large, particularly when we include third party inputs, resources as well as the work from VEPC over the last 15 years. Ours is an effort to distill a concise, smart, inclusive list of the most revealing and meaningful economic indicators that provide a snapshot or operational dashboard about Vermont’s economic today and its capacity for the future.

The last page is a first attempt to organize and draft an *Economic Performance Dashboard* for discussion and improvement.

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#### **Some Helpful Terminology Definitions:**

<b>Benchmarking:</b>	The <u>process</u> of identifying measurable strategies, selecting indicators, setting targets for output and tracking progress in meeting them.
<b>Benchmark:</b>	<u>Strategies</u> on which results are measured by an indicator.
<b>Benchmark Target:</b>	A quantitative, performance <u>standard to be achieved</u> .
<b>Indicator:</b>	An indicator is a unit of measure. <u>Indicators = Measures</u>

*-Adapted from USDA Rural Development Guide to Benchmarking*

## **AGGREGATED LIST FROM COMMISSIONERS INPUT**

Condensed with some clarifying edits and duplicate removal

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- Assets held by Vermonters.
- Business growth and contribution: Measure tax receipts from businesses (per person employed) vs. receipts from residents/non-residents.
- Education - # of people in without a college education
- Education - # of people without a high school diploma
- Education - # of post high school aged people without a high school diploma
- Education - Higher education use and affordability
- Employer Climate - Daycare availability and affordability
- Employer Climate - export and import numbers
- Employer Climate - Gross State Product
- Employer Climate - Net increase in agricultural enterprises
- Employer Climate - New business starts total and by type.
- Employer Climate - Time required to secure Act 250 permits.
- Employment - Breakdown (state gov., local gov., Manufacturing, service and non-profit)
- Employment - Net job growth,
- Employment - Unemployment claims (falling?)
- Employment - Unemployment Rate
- Income - distribution measure – GENIE Index, tax incidence or other measure
- Income - # and change in workers working below livable wage
- Income - # wage earners in each household
- Income - # working hours per household
- Income - absolute wages
- Income - asset poverty (Proportion of HH's without sufficient net worth to subsist at the poverty level for 3 mths)
- Income - average wages compared with national average
- Income - avg. gross income as a ratio to the poverty level.
- Income - Homelessness – number and rate of change
- Income - Household disposable income – Amount, rate of change, relative to total income.
- Income - Household median and average income
- Income - livable wage amount, % below, etc.
- Income - Wage – average and median wages
- Income - Wage growth or decline relative to cost of living.
- Infrastructure - Access and utilization of public transportation
- Infrastructure - Broadband to Premise - availability, adoption rate, and affordability
- Investment measures
- Net worth of households
- New Investment Return on Investment - "bang for the buck" of ec. dev actions
- Numbers at the food shelf
- Open Job Listing Rate – how many and average wage/salary
- Personal debt (total or consumer)
- Population - Net move ins,
- Population– total and rate of growth/decline
- Poverty – number, change, percentages
- Productivity of labor
- Prosperity - # of bankruptcies (all kinds)
- Prosperity - # of residential foreclosures
- Prosperity - # of uninsured (health care)

- Rate of homeownership
- Savings rates (consumer deposits in Vermont banks)
- State GDP
- Tax - Government spending: Measure the state and federal dollars spent vs. VT population.
- Tax - Per capita taxes as a ratio to wages
- Tax - Total tax burden on Vermonters.
- Workforce - Demographics
- Workforce - Working age population growth/decline

## Composite Indices

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- GENIE index – **The Gini index, or coefficient**, is used to measure income distribution in a society, with a Gini index of 1 indicating that all income has been pooled in one group, while a Genie index of 0 signals perfectly equal income distribution. In practice, Gini indices usually fall between 0.200 and 0.450.
- Housing affordability index
- Affordability (Cost of Living) Index
- Genuine Competitiveness Indicator
- Genuine Progress Indicator
- Typical Household Indices at \$35k, \$70k, \$105K & \$200k incomes
- Hanson Index (or a CFED creation)

## Indicator Wish List

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- A measure of "efforts" to "outputs" - (seems to be an efficiency ratio intent)
- How to measure "Opportunity" or the "Creation of New Opportunities"
- Impact of Creative Economy (must define to measure)
- Measure for "Business Development" - this could mean lot from capacity to product, gross sales, triple bottom line, etc..
- Access to Infrastructure (not specified as to type)
- Measure of "parents ability to provide" (home, food, education, play, etc)
- Measure of discretionary income and play time (Likely that play time includes family time as well as recreation)
- Local spending at mom and pop stores
- Ability to Play (disposable income/quality of life intent)

[End of Aggregated Commissioners List]

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*Prepared by the Gund Institute at Commissioners' request*

<b>Labor Force</b> (all jobs data should be seasonally adjusted where possible)
Statewide Unemployment: # and % by month
Civilian labor force: # by month
Total employment: # by month
County Unemployment: % by month
Annual net job growth: # and %
Annual net private sector job growth: # and %
Annual net private sector job growth by industry: # and %
Annual jobs lost to foreign competition: # and %
County annual net job growth: # and %
County annual net private sector job growth: # and %
Annual growth by occupational title (Top 25): by # and rate of growth
Self-employment: # and % of total employment
Self-employment by county: # and % of total employment
Self-employment by 2 digit NAICS code: # and % of total employment
<b>Wages &amp; Income</b>
Average wage: \$ and annual % change adjusted for inflation
Average private sector wage: \$ and annual % change adj. for inflation
County avg. wage: \$ and inflation adj. annual % change
County avg. private sector wage: \$ and inflation adj. annual % change
Median annual income for Top 50 occupational titles <sup>1</sup> : by # and %
Median HH income: \$ and annual % change adj. for inflation
Median family income: \$ and annual % change adj. for inflation
Livable wage: # and % of jobs paying > than the single person LW
Average receipts for self-employment by 3 digit NAICS code
<b>Poverty</b>
Total in poverty: # and %
Children < 18 in poverty: # and %
Total in poverty by county: # and %
Children < 18 in poverty by county: # and %

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## **MAINE ECONOMIC GROWTH COUNCIL 2007 PERFORMANCE MEASURES**

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### **Economy**

#### Prosperity

- Personal Income
- Gross Domestic Product
- Employment
- Multiple Job Holding

#### Business Innovation

- R & D Expenditures
- International Exports
- Broadband Subscribers
- New Business Starts
- Manufacturing Productivity

#### Skilled and Educated Workforce

- Higher Degree Attainment

#### Business Climate

- Cost of Doing Business
- State and Local Tax Burden
- Cost of Healthcare
- Transportation Infrastructure
- On-the-job Injuries and illnesses reported

### **Community**

#### Civic Assets

- Affordable Housing

#### Disparities

- Poverty
- Gender Income Disparity

#### Health and Safety

- Chronic Disease
- Health Insurance Coverage

### **Environment**

#### Preservation

- Conservation Lands

#### Stewardship

- Sustainable Forest Lands

#### Access

- Population of Service Center Communities



**VERMONT ECONOMIC PROGRESS COUNCIL (VEPC)**  
**2002 REPORT ON ACTIONS FOR VERMONT'S ECONOMY**  
**-- LIST OF INDICATORS --**  
(Condensed and excluding county breakdowns)

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**Economy and Employment**

- Income per capita and as % of national average
- Average Vermont Wage and as a % of national average
- Gross State Product
- Vermont productivity (GSP/employment)
- Export value
- Total employment and Unemployment rate

**People, Families and Communities**

- State Population
- Median Vermont Age
- Population over 65 years
- Adult Substance Abuse Rate (%) – detail for binge drinking and smokers
- % High School students smoking daily
- Teen birth rate
- Low birth weight babies (%)
- Idle teens (not in school, not employed)
- Child Abuse Rate
- Rate of Violent Crime
- % Covered by Health Insurance
- # of Registered Voters and % voting

**Environment**

- Solid Waste Diversion Rate
- % of streams and lakes supporting their designated use
- # acres of wetlands
- Land Use Inventory (cropland, pasture, forested, built-up)

**Agriculture, Forestry and Forest Products**

- Acres of land cropped (with and without hayland)
- Number of dairy cows
- Pounds of milk produced
- Total number of farms, land held and 3 of dairy farms
- Total Farm Cash receipts and Total Milk Receipts
- % of prime agricultural lands in production
- Acres of agricultural lands in Use Value Appraisal Program and % of eligible enrolled.
- Acreage and % enrolled of Forest lands in Use Value Appraisal Program
- Forest Harvest (lumber, pulpwood, % log volume exported)
- Wood Products employment

- Value of Wood processing and forest harvest
- Workers Compensation Rates for logging

#### **Travel, Tourism, Recreation and the Arts**

- Visitors to Vermont
- Skier Days
- Revenues subject to Rooms & Meals tax
- State Parks visitor days
- Hunting and fishing licenses

#### **Manufacturing & Construction**

- Total manufacturing employment
- % of non-farm employment in manufacturing
- Total Food Processing employment
- Total Industrial Machinery and Electronic Equipment

#### **Other Industry Groups**

- # of captive insurance companies and revenues paid
- Total employed in Finance, Insurance and Real Estate
- Total federal, state and local government employees, excluding education

#### **Policy Area: Regulation**

- % of Act 250 decisions within 120 days
- ACT 250 Approval Rate
- DEC permits issued with performance standards and % in compliance
- Reported Workplace Injuries (total and per 100 rate)
- Fire Prevention Permits (# reviewed, avg & median time)

#### **Policy Area: Stable and Competitive Tax System**

- State General Fund revenues – Total and by source
- Vermont State Bond Ratings
- Local Property Taxes

#### **Policy Area: Economic Assistance and Community Development**

- Jobs created or retained by Community Development Block Grants
- Small Business Development Center clients served
- Completion rate of GIS Spatial data infrastructure
- New jobs created by VEDA

#### **Policy Area: Education and Work Force Training**

- % Vermonters with high school degree and national average
- % Vermonters with bachelors degree and national average
- High School Drop out rate
- SAT participation rate and Verbal and Math median scores
- State appropriation support to higher education
- # enrolled in higher education in Vermont

- Total employment in higher education

**Policy Area: Telecommunications**

- % of households with telephone service
- % of households with internet connections

**Policy Area: Energy Policy**

- Avg. power cost per kwh – residential , industrial and commercial
- Participation Rate in market driven energy efficiency programs
- In-state renewable use as % of total energy use

**Policy Area: Transportation**

- Passengers boarding at BTV airport
- Total vehicle miles traveled on Vermont's roads and highways
- % of paved roads in poor condition
- Paved highway condition rating

**Policy Area: Science & Technology**

- Patents issued to Vermont residents
- Vermont EPSCOR Phase 0 proposals
- National Science Foundation Award to Vermont EPSCOR

[End of VEPC Measures]

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**CORPORATION FOR ENTERPRISE DEVELOPMENT**  
***LISTING OF STATE DEVELOPMENT REPORT CARD INDICATORS***

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**PERFORMANCE**

**Employment**

- Employment Growth: Long Term
- Employment Growth: Short Term
- Unemployment Rate
- Private Sector Layoffs

**Earnings and Job Quality**

- Average Annual Pay
- Employer-Provided Health Insurance
- Working Poor
- Involuntary Part-Time Employment

**Equity**

- Poverty Rate
- Income Distribution
- Income Distribution Change
- Disparity between Rural and Urban Areas

**Quality of Life**

- Net Migration
- Infant Mortality
- Uninsured Low-Income Children
- Teen Pregnancy
- Heart Disease
- Homeownership Rate
- Charitable Giving
- Voting Rate
- Crime Rate

**Resource Efficiency**

- Per Capita Energy Consumption
- Use of Alternative Energy
- Toxic Release Inventory
- Vehicle Miles Traveled
- Rate of Recycled Waste
- Greenhouse Gas Emissions

**Trend Indicators**

- Change in Unemployment Rate

- Change in Average Annual Pay
- Change in Poverty Rate
- Change in Uninsured Low-Income Children
- Change in Homeownership Rate
- Change in Toxic Release Inventory

## **BUSINESS VITALITY**

### Competitiveness of Existing Businesses

- Strength of Traded Sector
- Business Closings
- Manufacturing Investment
- Industrial Diversity
- New Companies
- Change in New Companies
- Job Creation by Start-Up Businesses
- Technology Industry Employment
- Initial Public Offerings

### Trend Indicators

- Change in Business Closings
- Five Year Change in New Companies

## **DEVELOPMENT CAPACITY**

### Human Resources

- Basic Educational Skills Proficiency - Reading
- Basic Educational Skills Proficiency - Math
- Average Teacher Salary
- K-12 Education Expenditures
- High School Completion
- High School Attainment
- College Attainment

### Financial Resources

- Income from Dividends, Interest and Rent
- Venture Capital Investments
- SBIC Financing
- Loans to Small Businesses

### Infrastructure Resources

- Highway Performance
- Bridge Deficiency
- Urban Mass Transit
- Electronic Public Services

**Amenity Resources and Natural Capital**

- Energy Costs
- Affordable Urban Housing
- Health Professional Shortage Areas
- Conversion of Cropland to Other Uses
- Air Pollution

**Innovation Assets**

- PhD Scientists and Engineers
- Graduate Students in Science and Engineering
- Broadband Access
- Academic Research and Development
- Federal Research and Development
- Private Research and Development
- SBIR Grants
- Royalties and Licenses
- Patents Issued
- Business Created Via University R&D

**Trend Indicators**

- Change in Basic Educational Skills Proficiency - Math
- Change in High School Attainment
- Change in Venture Capital Investments
- Change in Income from Dividends, Interest and Rent
- Change in Energy Costs
- Change in Health Professional Shortage Areas
- Change in Private Research and Development

[End]

## The state of Vermont: *An Economic Performance Dashboard*

### Economy

- State GDP (rate of change)
- Employment (#, growth, type)
- Unemployment (#, rate, national)
- State Productivity (GDP/employment)
- State Bond Rating

### Income & Wages

- Wage (average, median, % of national)
- Livable Wage (\$, # & % population below)
- Savings (\$, rate of change)
- Persons Holding Multiple Jobs
- Population using food shelves (#, %)

### Innovation and Entrepreneurship

- Risk Capital Investments (#, \$, rate)
- Patents issued to Vermonters
- New Companies (#, type, rate)
- Business Closings (#, type, rate)
- Initial Public Offerings

### Prosperity

- Healthcare (# uninsured, %, rank)
- Tax Burden (\$, % of income, rank)
- State Budget Surplus (\$, rank)
- Housing Affordability (ownership rate, % income, # foreclosures)

### Environment

- ACT 250 Permits (% issued, avg. time)
- % of streams and lakes supporting designated use.
- Solid Waste Diversion Rate
- Acres in Land Use Inventory

### Workforce & Education

- % with high school or equiv. degree
- % with higher education degrees.
- Demographics (age groups, rate)
- School Taxes (per Capita, per pupil, rank)
- K-12 Proficiency (Math and Verbal, rank)

### Infrastructure

- Broadband to Premise (availability, use)
- Bridge and Large Culvert Deficiency
- Energy (cost by class, source, rank)
- Passengers at Burlington Airport
- Public Transportation (access, use)

### Community

- Poverty (# and %)
- Chronic Disease (#, rate, % of pop.)
- Crime rate (violent, non-violent, rank)
- Voting (% registered, % voting)
- State Policymaker Review (re-election rate)

### Special Opportunity Indicators

- Environmental Technology Jobs
- Per capita energy consumption
- Student :Teacher ratio
- Higher Ed. Student Debt (avg. and median)
- Employer Competitiveness (ranking)

DRAFT 1.0 - CFED